

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

**PAMELA TILLMAN,
Plaintiff,**

Case Number 08 C 1641

v.

Plaintiff demands trial by jury.

**U.S. ENERGY SAVINGS CORPORATION,
Defendant.**

SECOND AMENDED CLASS ACTION COMPLAINT

NOW COMES PAMELA TILLMAN (“Plaintiff”), by and through her attorneys, Gold & Coulson, a partnership of professional and limited liability corporations, and Robert Kelter, complaining against U.S. ENERGY SAVINGS CORPORATION (“U.S. Energy”) alleges, based on personal knowledge with respect to herself and her own acts and on information and belief, in part through investigation of counsel, as follows:

NATURE OF CASE

1. This is a consumer class action based on deceptive practices relating to the marketing and sale of U.S. Energy’s Fixed Price Program (“FIXED PRICE”) to Indiana customers. Plaintiff brings this action for violations of the Indiana Deceptive Consumer Sales Act, 24-5-0.5-1.
2. Specifically, the FIXED PRICE program offered by U.S. Energy claims it protects customers against the fluctuating price of gas for residential use. U.S. Energy is an alternative supplier of gas and is not a regulated utility. That means that it is able to charge a consumer whatever it wishes for the supply of gas. A regulated utility, such as

Peoples Gas, purchases gas for customers and passes it through at the price it pays suppliers without markup. Utilities only profit from delivery fees.

3. U.S. Energy falsely, deceptively, and knowingly markets and sells U.S. Energy customers its FIXED PRICE program and uniformly states to consumers, including Pamela, in writing, that its FIXED PRICE program has saved consumers over the years substantial sums of money. Consumers' use of gas is measured in "therms." U.S. Energy sells gas at a price per therm. For example, Pamela signed a five year contract with U.S. Energy on August 17, 2007 at a fixed price of \$1.14 per therm (Exhibit A attached) when the utility, *NIPSCO*, was charging her an average of \$0.72 per therm! (See Exhibit B attached). Exhibit C accompanied a solicitation of Pamela, at her home, by U.S. Energy sales representative Ashley Reynolds (Agent #275353), on August 17, 2007. Ms. Reynolds showed Pamela the flyer, containing a graph depicting a "stable rate" straight line of U.S. Energy's gas price as if it were less than the utilities' rate over a period of time, when it is not. At the time of initial filing of this lawsuit, U.S. Energy also depicted the "stable rate" straight line on its website (Exhibit D attached). They have since removed the graph during the course of this litigation. The fact: U.S. Energy gouges those consumers most vulnerable in the present day high cost of home heating.
4. U.S. Energy customers, including Pamela, have been slammed (unknowingly having their gas bills increased), or not told they were being switched from their current provider to U.S. Energy by U.S. Energy sales representatives. Sales representative Reynolds told Pamela that "NIPSCO sent them out" when in fact Ms. Reynolds worked for U.S. Energy.

5. Customers, including Pamela, have been told that they would save money by switching to U.S. Energy only to see their bills increase dramatically. Pamela was told by Ms. Reynolds that her rates would be cheaper than NIPSCO's, and that she would save money.¹ Pamela did not save money; she ended up paying far more when U.S. Energy enforced the agreement.

6. Customers like Pamela have been told by U.S. Energy sales representatives that if they signed up they would not see any upcoming price increases in their cost of gas, when in fact the utilities' commodity rate cannot be predicted and the regulated utility price at the time of the sale has been significantly below the price offered by U.S. Energy (Exhibit B attached). Additionally, U.S. Energy told customers, including Pamela, that if they signed with U.S. Energy their rates would not be increased, when in fact the *delivery rate* increase recently approved for Peoples Gas is paid by *all* residential customers, regardless of their commodity supplier.

7. Customers have been told by U.S. Energy representatives that they represented Peoples Gas or Nicor Gas when in fact they did not. Ms. Reynolds told Pamela that "NIPSCO sent them out" when in fact U.S. Energy sent her out to Pamela's house.

8. Customers were not told that U.S. Energy contracts were for five years and that to terminate the contract before the end date, the customer would have to pay a sizeable termination fee ranging from several hundred dollars to several thousand dollars. Pamela was told by Ms. Reynolds that it was a two-year program, when in fact she had to sign a five-year contract. She was later told that it would cost her \$600 to cancel her contract.

¹ In addition to Ashley Reynolds, 3 other U.S. Energy sales representatives solicited Pamela at her home at various times, all promising cheaper rates and savings if she switched to U.S. Energy.

9. U.S. Energy representatives also misleadingly have compared the cost of natural gas to gasoline to have customers agree to switch. Ms. Reynolds told Pamela that natural gas prices were going to be \$3 per therm in the future, just as gasoline prices were \$3 per gallon. This deception made U.S. Energy's inflated \$1.14 per therm price sound like a bargain.

10. On information and belief, U.S. Energy charges termination fees in excess of a reasonable calculation of liquidated damages to cancel the contract, which unlawfully penalizes customers.

11. As to Pamela, after signing Exhibit A, she was supplied gas in her home from U.S. Energy only to discover that her heating bills were 62% higher in the months of January and February 2008 alone, in terms of the gas supply. As a result of her induced switch from NIPSCO, after being fooled by Ms. Reynolds and U.S. Energy during door-to-door solicitation, the cost of gas supply in therms is easily demonstrated by Exhibits E and F attached. Exhibits E and F are heating bills from NIPSCO, however, the gas supply described on those bills is U.S. Energy's supply in therms. The following is a summary:

U.S. Energy – December 2007 = 467.80 therms @ \$1.14/therm: \$533.29

Had Plaintiff remained with NIPSCO

December 2007 = 467.80 therms @ \$0.72/therm: -\$336.81

Extra cost to Plaintiff: \$196.47

U.S. Energy – January 2008 = 439.40 therms @ \$1.14/therm: \$500.91

Had Plaintiff remained with NIPSCO

January 2008 = 439.40 therms @ \$0.70/therm: -\$307.58

Extra cost to Plaintiff: \$193.33

Dividing what would have been the total NIPSCO charge of \$644.39 for these two months by the total U.S. Energy charges of \$1,034.20, the increase is 62%. The actual extra out-of-pocket dollars paid by Plaintiff were \$389.80 for only two months!

12. Plaintiff brings this action on behalf of all U.S. Energy customers in Indiana who, within the applicable limitations, purchased the FIXED PRICE program as a direct result of U.S. Energy's fraudulent and deceptive practices.

PARTIES

13. Plaintiff, Pamela Tillman, resides at 4720 Magoun Avenue, East Chicago, Indiana and is a citizen of the State of Indiana.

14. Defendant U.S. Energy is a Delaware Corporation and a citizen of the State of Delaware, with its principal executive offices and principal place of business at 8600 W. Bryn Mawr Avenue, Suite 440, Chicago, Illinois.

15. U.S. Energy advertises on its website that it serves close to 1,000,000 North American customers. As of the end of 2007, it serviced 102,000 customers in the United States according to its published Business Statistics. It has 102,000 long term contracts in Indiana, Illinois, or New York. As stated in ¶ 11, *supra*, Plaintiff's individual damages for *only two months* were \$389.90. If Indiana has 20,000 customers, multiplying \$389.90 by 20,000 results in conservative class damages of \$7,798,000: well above the jurisdictional amount of the Class Action Fairness Act.

JURISDICTION AND VENUE

16. Jurisdiction is appropriate in this Court under 28 U.S.C. § 1332 (as amended), the Class Action Fairness Act and Rule 23 of the Federal Rules of Civil Procedure, as well as

28 U.S.C. § 1332 in that complete diversity between all potential Plaintiffs and Defendant exists and the amount in controversy exceeds \$5,000,000.

17. Venue is proper in this District in accordance with 735 ILCS 5/2-102 and 735 ILCS 5/2-209. The deceptive practices that are the subject matter of this complaint occurred within the U.S. Energy service area which includes portions of Cook County

FACTUAL BACKGROUND

18. U.S. Energy promotes its FIXED PRICE program to U.S. Energy's customers, including Pamela, as a valuable savings of gas for residential use.

19. All U.S. Energy materials state that the FIXED PRICE program has saved customers the cost of gas for years (see graphs in attached Exhibits C and D). U.S. Energy's customer service representatives that sell the program (including Ashley Reynolds) tell consumers (including Pamela) that the FIXED PRICE program will lower their cost of gas, whereas U.S. Energy knows that this is not true based upon prior cost differentials between U.S. Energy and the regulated utilities. Just as in the case of Pamela, Defendant's customers pay more for the cost of gas when U.S. Energy enforces the agreements.

20. U.S. Energy has been very successful in promoting and selling its FIXED PRICE program to its customers, including Pamela.

CLASS ALLEGATIONS

21. Pursuant to 28 U.S.C. § 1332 and Rule 23 of the Federal Rules of Civil Procedure, Plaintiff brings this action on behalf of a class of similarly situated persons injured by U.S. Energy's unfair and deceptive practices. The class is defined as follows:

“All consumers in Indiana who paid for the U.S. Energy
FIXED PRICE program who were billed for gas after

January 1, 2007 resulting in a cost in excess of the utility price they would have paid for gas had they remained with the utility rather than contract with U.S. Energy.”

22. The Class members are so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to Plaintiff at this time, it is ascertainable through appropriate discovery. Plaintiff believes that thousands of U.S. Energy customers have been victimized by U.S. Energy’s unfair and deceptive practices during the relevant period.
23. Questions of law and fact are common to the Class and these common questions predominate over any questions affecting individual members.
24. Plaintiff will fairly and adequately protect the interest of the Class.
25. Plaintiff’s counsel are experienced class-action attorneys. They are currently involved in complex litigation, including class-actions.
26. A class-action is an appropriate method for the fair and efficient adjudication of this dispute.

CONSUMER FRAUD

27. Plaintiff re-alleges the allegations set forth above.
28. This suit is a class-action claim brought under the Indiana Deceptive Consumer Sale Act, 24-5-0.5-1.
29. U.S. Energy violated this act by:
- a. making written and oral misrepresentations through its sales representative, Ashley Reynolds, to Pamela at her home, that induced her to contract for U.S. Energy’s FIXED PRICE program;

- b. enforcing the agreements made based on these written and oral misrepresentations;
- c. concealing or failing to disclose material facts that would have caused Pamela, a U.S. Energy customer covered by the FIXED PRICE program, to understand that U.S. Energy provided no benefit to her.

30. Because of the unconscionable practices of U.S. Energy set forth above, Plaintiff and the Class are entitled to actual damages, in accordance with the cited statute, as U.S. Energy unnecessarily caused consumers, including Pamela, to purchase U.S. Energy's FIXED PRICE program.

31. U.S. Energy's deceptive, misleading, unfair or unconscionable practices set forth above were done willfully, wantonly, and maliciously, entitling Plaintiff and the Class to a punitive damage award.

WHEREFORE, Plaintiff prays that the Court:

- a. Enter judgment against U.S. Energy and for Plaintiff and the Class in an amount equal to the total U.S. Energy charges in excess of the utility price Class members would have paid for gas had they remained with the utility rather than contract with U.S. Energy;
- b. Assess punitive damages against U.S. Energy;
- c. Award Plaintiff and the Class reasonable attorneys' fees;
- d. Grant such additional relief as the Court finds proper and just.

Respectfully submitted,

By: /s/ Arthur S. Gold
One of their counsel

GOLD & COULSON
A Partnership of Professional
and Limited Liability Corporations
11 S. LaSalle Street
Suite 2402
Chicago, Illinois 60603
312.372.0777
312.372.0778 (Facsimile)

Robert Kelter
Attorney at Law
3160 N. Lincoln Avenue
#505
Chicago, Illinois 60657
773.528.5660

STATE OF ILLINOIS)		
)	SS:	#5231
COUNTY OF COOK)		

CERTIFICATION

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure of the State of Illinois, the undersigned certifies that the Second Amended Class Action Complaint was served on August 6, 2008 to the District Court and e-mail notification by the District Court.

s/Arthur S. Gold





Rep Lloydene
75060

Dear Customer,

Your complete satisfaction is our first priority.

If you have any questions, comments or concerns about
our representative or our services

contact us directly at:

1.888.674.7847

Monday to Friday between the
hours of 9:00 a.m. - 5:00 p.m.

fax us at

1.888.548.7690

or email us at

cs@energysavings.com

Independent Contractor name:

Ashley

Independent Contractor ID#

275353

U.S. ENERGY SAVINGS CORP.

www.energysavings.com

New York • Illinois • Indiana

For your energy. For your peace of mind.

MAR-3-2008 04:15P FROM:PAMELA TILLMAN

219-397-4611

TO:13123720778

P.4



**U.S. ENERGY SAVINGS CORP.
NATURAL GAS FIXED PRICE PROGRAM**

CUSTOMER REGISTRATION

President's Plaza, 8600 West Bryn Mawr, Suite 440N
Chicago, Illinois 60631

81.888.674.7847 81.888.548.7690 www.energysavings.com ES CS@energysavings.com

Customer Number
(for office use only)

✓ YES! ENROLL ME IN THE NATURAL GAS FIXED PRICE PROGRAM

For purposes relating to the supply, and billing of supply, of natural gas for the location(s) associated with the meter and account number(s) listed below and on any attached schedule or document (the "Location", such term to include the plural), the account holder noted below (the "Customer") hereby appoints Indiana Energy Savings Corp., doing business as U.S. Energy Savings Corp. (USESC), as Customer's sole and exclusive agent and natural gas supplier.

Customer has received from USESC a copy of this Customer Registration and the attached terms and conditions (together, the "Agreement"). If a residential customer, Customer acknowledges having received a copy of the cancellation notice with necessary elements completed (for residential customers, cancellation is permitted up to 15 calendar days after Customer signs the Agreement; for commercial customers, cancellation is permitted up to 5 business days after Customer signs the Agreement). Customer agrees that USESC is entitled to obtain Customer's usage data for the past 2 years, as well as current usage data, from the Utility.

Customer acknowledges having read the Agreement, understands the nature and content hereof, and agrees to be bound hereby. Customer acknowledges that this is Customer's signed copy of the Agreement. If the Agreement is being signed on behalf of Customer, the signatory confirms all of the above and below on behalf of Customer and confirms its authority to sign on behalf of Customer. The signatory agrees that if Customer alleges that the signatory does not have all necessary authority, the signatory hereby agrees to pay to USESC, for breach of warranty of authority, an amount equal to the liquidated damages amount, as set out in the para. entitled Termination.

Customer accordingly agrees to purchase natural gas commodity in accordance with the terms and conditions of the Agreement at a fixed price of \$1.14 per therm (the "Price"), plus any adjustment amount (the "Adjustment"). The Agreement does not cover delivery, transportation and other Utility charges. The Adjustment is currently \$0.00 per therm, it may increase should the Utility alter its current arrangements with USESC or should taxes imposed on USESC by government bodies increase during the Term (see para. entitled Price for details). The initial period of the Agreement is: ☒ 4 years or ☐ 5 years (if no period is selected, the initial period is deemed to be five years; see para. entitled Renewal to understand what happens at the end of the initial period).

Account Holder ☒ Spouse ☐ Authorized Representative of Business ☐

Home ☒ Business ☐

Customer Name (account holder (if a business, record the proper legal name))

Pamela Tillman

Contact Name (if different from above)

Billing Address

4720 Magoun Ave

City

East Chicago

Zip Code

46312

Service Address (if different from above)

City

Zip Code

Daytime Telephone #

219-397-4611

Ext.

Evening Telephone #

219-616-1954

Mail Address

Fax No.

PSCO Account No.

Local Gas Meter No.

674-206-007-11

9465787

Customer acknowledges that the contractor identified himself/herself as representing USESC, an energy retailer. Customer understands the rate, term, cancellation provisions and termination costs of the Agreement. Customer acknowledges and understands that if the Agreement is accepted by USESC, Customer will receive natural gas supply from USESC.

Customer understands that it can return to supply from NIPSCO if USESC terminates supply. Customer can change suppliers or return to NIPSCO sales service at any time during the Term. Customer acknowledges that if Customer termi-

MAR-3-2008 04:16P FROM:PAMELA TILLMAN

219-397-4611

TO:13123720778

P.5

Customer accordingly agrees to purchase natural gas commodity in accordance with the terms and conditions of the Agreement at a fixed price of \$1.14 per therm (the "Price"), plus any adjustment amount (the "Adjustment"). The Agreement does not cover delivery, transportation and other Utility charges. The Adjustment is currently \$0.00 per therm, but may increase should the Utility alter its current arrangements with USESC or should taxes imposed on USESC by government bodies increase during the Term (see para. entitled Price for details). The initial period of the Agreement is: ☒ 4 years or ☐ 5 years (If no period is selected, the initial period is deemed to be five years; see para. entitled Renewal to understand what happens at the end of the initial period).

Account Holder ☒ Spouse ☐ Authorized Representative of Business ☐Home ☒ Business ☐

Customer Name (account holder (if a business, record the proper legal name))

Pamela Tillman

Contact Name (if different from above)

Billing Address 4720 Magoun Ave

City

East Chicago

Zip Code

46312

Service Address (if different from above)

City

Zip Code

Daytime Telephone # 219-397-4611 Ext.

Evening Telephone # 219-616-1954

Mail Address

Fax No.

NIPSCO Account No.

Local Gas Meter No.

674-206-007-11

9465787

Customer acknowledges that the contractor identified himself/herself as representing USESC, an energy retailer. Customer understands the rate, term, cancellation provisions and termination costs of the Agreement. Customer acknowledges and understands that if the Agreement is accepted by USESC, Customer will receive natural gas supply from USESC.

Customer understands that it can return to supply from NIPSCO if USESC terminates supply. Customer can change suppliers or return to NIPSCO at any time during the term. Customer acknowledges that if Customer terminates or breaches the Agreement, Customer will owe USESC 10 cents per therm times Customer's estimated remaining usage. PA Customer initials

Customer understands that it has the right to obtain gas supply from other suppliers.

Customer's eligibility for the Agreement depends upon confirmation that Customer has good credit standing (defined as being not more than 30 days in arrears).

Customer's Right to Cancel (Residential Customers): You, the buyer, may cancel this transaction within 15 calendar days after the date of this transaction. See the attached notice of cancellation form for an explanation of this right. For you to cancel the Agreement within the cancellation period, call or write to: Customer Service, USESC, President's Plaza, 8600 West Bryn Mawr, Suite 440N, Chicago, Illinois, 60631, tel. 1.888.674.7847, fax 1.888.548.7690.

Signature

Pamela Tillman

Title of Signatory (for businesses)

I represent and warrant that I have the authority to bind Customer to the Agreement.

Print Name

PAMELA TILLMAN

Independent Contractor Name

Ashley Reynolds

Independent Contractor Signature

FAC

9499809900

Source Code

- - - - -

AUG 17 2007

Month

Day

Year

Contractor Number

275353

USESC.NP.3

Pg 1A

Natural Gas Fixed Price Program Agreement Terms and Conditions, Notice of Appointment of Agent and Appointment of Agent

Agreement between: Customer and USESC

Notice to: Customer's local utility company (Northern Indiana Public Service Company) ("NIPSCO" and the "Utility") and USESC

1. **Effectiveness and Authorization.** Customer has read, understands, and agrees to the terms and conditions outlined in the Agreement. The Agreement is effective upon being signed by Customer and is conditioned upon Customer's eligibility for the Utility's choice program, submission of the Agreement to USESC by the independent contractor, and approval by the Utility and USESC. Provision of inaccurate information on the Customer Registration may affect approval by USESC or the Utility. USESC approval may be contingent upon verification of information by USESC through recorded telephone call with Customer. USESC retains sole and unfettered discretion as to whether to seek telephone verification. If USESC does not commence supply within 120 days of Customer entering into the Agreement, Customer understands and agrees that the Agreement is deemed terminated with no cost or penalty to either party. USESC is authorized to negotiate, commit to, enter into, amend or terminate agreements with the Utility and other third parties relating to the supply, volume load balancing, transportation, delivery, purchasing, and billing of natural gas on Customer's behalf as though Customer had entered into the agreements. The Utility is entitled to rely upon anything done, or any document signed by USESC relating to the supply, volume load balancing, transportation, delivery, purchasing and billing of natural gas as though Customer had performed the action or signed the document. The Agreement is not available to existing USESC customers.

2. **Information.** Customer shall notify USESC in writing of any change in Location, account number, or meter number within 30 days prior to the change occurring. Customer agrees that the Utility may also advise USESC of any such change. Customer agrees that the Agreement applies to such replacement Location, account number or meter number if possible at the sole and unfettered discretion of USESC. Customer agrees that if a natural gas distributor other than the Utility services the replacement Location (the "Subsequent Utility"), the changes to the Agreement necessary to reflect the applicability of the Agreement to the Subsequent Utility are deemed incorporated herein. Without limiting the generality of the foregoing, Customer specifically agrees that the Agreement will constitute a notice of appointment of agency to the Subsequent Utility. Should the charges associated with the Subsequent Utility be greater than those applicable to Customer's original Location, and should Customer object to paying the greater charges associated with the replacement Location, USESC shall have the option to continue the Agreement under the terms and condi-

(including, but not limited to, any balancing, storage, or transportation charges) and any additional taxes that may be imposed on USESC by government bodies. The Adjustment will be apportioned to each customer of USESC, including Customer, as an amount per therm of usage, and will not be based on any customer's actual contribution to the Adjustment amount.

The Agreement does not cover delivery and other Utility charges and Customer remains obligated to pay the Utility for the Utility's charges. Customer is also required to pay any additional charges charged to USESC by the Utility including, but not limited to, any balancing, storage or transportation related charges. Customer understands that the Utility's gas price over the Term may or may not be greater than the Price. The Price does not include, and Customer also agrees to pay, all Utility charges, late payment charges, and applicable taxes. There is a late payment fee for any past due amount equal to 10% of the first \$3 of any unpaid balance outstanding at the next billing date plus 3% of any unpaid balance in excess of \$3 outstanding at the next billing date. Even though Customer is contracting with USESC and not the Utility for gas supply, Customer will be billed by the Utility for gas supply, in accordance with the Utility's usual billing cycle for Customer. Customer may be billed actual or estimated usage amounts and is required to pay all amounts billed. Customer may receive and is required to pay bills sent to Customer for charges incurred by Customer even if supply from USESC has subsequently terminated. IF CUSTOMER RECEIVES AN ARREARS NOTICE AND DOES NOT PAY THE BALANCE PRIOR TO CUSTOMER'S NEXT BILLING DATE, NIPSCO'S POLICY IS THAT EFFECTIVE AS OF THAT DATE, CUSTOMER WILL BE REMOVED FROM THE CHOICE PROGRAM AND RETURNED TO BUNDLED UTILITY SERVICE. CUSTOMER UNDERSTANDS THIS POLICY AND AGREES THAT IF IT IS APPLIED TO CUSTOMER, IN NO EVENT SHALL CUSTOMER BE ENTITLED TO ANY DAMAGES RESULTING FROM THE POLICY OR ACTIONS RELATED TO THE POLICY. CUSTOMER WILL BE LIABLE FOR LIQUIDATED DAMAGES IF IT IS REMOVED FROM THE CHOICE PROGRAM (SEE PARA. 8 FOR DETAILS). Except as otherwise set out above, the Price will not increase during the Term under the Agreement unless Customer specifically consents to same.

5. **Renewal.** USESC MAY RENEW THE AGREEMENT FOR SUCCESSIVE TERMS UPON NOT LESS THAN 30 DAYS NOTICE TO CUSTOMER OF THE AMENDED TERMS AND CONDITIONS OF SUCH RENEWAL, INCLUDING, WITHOUT LIMITATION, CHANGES TO PRICE AND TERM. CUSTOMER HAS 30 DAYS FROM RECEIPT OF THE NOTICE (DEEMED TO BE 7 CALENDAR DAYS FROM THE DATE THE NOTICE IS SENT) TO ELECT AGAINST RENEWAL, IN WRITING, AFTER WHICH TIME THE AGREEMENT WILL AUTOMATICALLY RENEW UNDER THE CONDITIONS SET OUT IN THE RENEWAL NOTICE. THE PARTIES AGREE THAT ANY PROVISIONS REQUIRED BY LAW TO BE CONTAINED HEREIN FOR RENEWAL PURPOSES ARE DEEMED INCORPORATED HEREIN, AND USESC AGREES TO ABIDE BY SAME AND PROVIDE A COPY OF ANY SUCH PROVISIONS UPON REQUEST.

MAR-3-2008 04:16P FROM: PAMELA TILLMAN

219-397-4611

TO: 13123728778

P.8

agreements with the Utility and other third parties relating to the supply, volume load balancing, transportation, delivery, purchasing, and billing of natural gas on Customer's behalf as though Customer had entered into the agreements. The Utility is entitled to rely upon anything done, or any document signed by USESC relating to the supply, volume load balancing, transportation, delivery, purchasing and billing of natural gas as though Customer had performed the action or signed the document. The Agreement is not available to existing USESC customers.

2. **Information.** Customer shall notify USESC in writing of any change in Location, account number, or meter number within 30 days prior to the change occurring. Customer agrees that the Utility may also advise USESC of any such change. Customer agrees that the Agreement applies to such replacement Location, account number or meter number if possible at the sole and unfettered discretion of USESC. Customer agrees that if a natural gas distributor other than the Utility services the replacement Location (the "Subsequent Utility"), the changes to the Agreement necessary to reflect the applicability of the Agreement to the Subsequent Utility are deemed incorporated herein. Without limiting the generality of the foregoing, Customer specifically agrees that the Agreement will constitute a notice of appointment of agency to the Subsequent Utility. Should the charges associated with the Subsequent Utility be greater than those applicable to Customer's original Location, and should Customer object to paying the greater charges associated with the replacement Location, USESC shall have the option to continue the Agreement under the terms and conditions applicable to the original Location or terminate the Agreement without damages to either party. Customer understands that failure to advise USESC of a change in Location, account number or meter number may result in termination fees being applied (see para. 8). Customer hereby directs the Utility to release any and all information related to Customer's present arrangements for the supply, delivery, and billing of natural gas to USESC.

3. **Term.** The term of the Agreement commences on the date of first gas flow under the Agreement, which will be approximately 15-90 days after signing (the "Start Date"), and ends at the time of the estimated or actual meter reading performed following the end of the initial period of 4 or 5 years set out on the Customer Registration (the "End Date"). The period from the Start Date to the End Date shall be the Term.

4. **Price.** Customer agrees to pay the Price set out on the Customer Registration for the gas purchase charge portion of the gas bill while USESC is Customer's supplier during the Term. Customer is also required to pay the Adjustment amount, which includes any charges incurred by USESC as a result of Utility changes

Customer even if supply from USESC has subsequently terminated. IF CUSTOMER RECEIVES AN ARREARS NOTICE AND DOES NOT PAY THE BALANCE PRIOR TO CUSTOMER'S NEXT BILLING DATE, NIPSCO'S POLICY IS THAT EFFECTIVE AS OF THAT DATE, CUSTOMER WILL BE REMOVED FROM THE CHOICE PROGRAM AND RETURNED TO BUNDLED UTILITY SERVICE. CUSTOMER UNDERSTANDS THIS POLICY AND AGREES THAT IF IT IS APPLIED TO CUSTOMER, IN NO EVENT SHALL CUSTOMER BE ENTITLED TO ANY DAMAGES RESULTING FROM THE POLICY OR ACTIONS RELATED TO THE POLICY. CUSTOMER WILL BE LIABLE FOR LIQUIDATED DAMAGES IF IT IS REMOVED FROM THE CHOICE PROGRAM (SEE PARA. 8 FOR DETAILS). Except as otherwise set out above, the Price will not increase during the Term under the Agreement unless Customer specifically consents to same.

5. **Renewal.** USESC MAY RENEW THE AGREEMENT FOR SUCCESSIVE TERMS UPON NOT LESS THAN 30 DAYS NOTICE TO CUSTOMER OF THE AMENDED TERMS AND CONDITIONS OF SUCH RENEWAL, INCLUDING, WITHOUT LIMITATION, CHANGES TO PRICE AND TERM. CUSTOMER HAS 30 DAYS FROM RECEIPT OF THE NOTICE (DEEMED TO BE 7 CALENDAR DAYS FROM THE DATE THE NOTICE IS SENT) TO ELECT AGAINST RENEWAL, IN WRITING, AFTER WHICH TIME THE AGREEMENT WILL AUTOMATICALLY RENEW UNDER THE CONDITIONS SET OUT IN THE RENEWAL NOTICE. THE PARTIES AGREE THAT ANY PROVISIONS REQUIRED BY LAW TO BE CONTAINED HEREIN FOR RENEWAL PURPOSES ARE DEEMED INCORPORATED HEREIN, AND USESC AGREES TO ABIDE BY SAME AND PROVIDE A COPY OF ANY SUCH PROVISIONS UPON REQUEST.

6. **Changes.** USESC may amend the terms and conditions of the Agreement (other than Price and Term) during the Term of the Agreement upon not less than 60 days notice to Customer, and, except where the changes are the result of legal obligations of USESC, Customer has 30 days from the date the notice was sent to elect against continuing the Agreement under such amended terms and conditions, in which case the original terms and conditions prevail.

Notwithstanding the foregoing, Customer agrees that USESC may change billing arrangements upon notice, as it deems necessary, in its sole discretion, and Customer agrees to continue to pay for the amounts noted in para. 4, notwithstanding any such change.

7. **Sharing of Information.** Customer authorizes USESC and the Utility to share account, payment status and history, and related information about Customer, and authorizes USESC to provide such information to third parties, such as its suppliers and service providers, as may be required by contract or law or as may be appropriate for business purposes. Customer consents to the recording of calls between Customer and USESC and to the maintenance of written documents for such time as USESC may

deem appropriate for business purposes and as may be required by any governmental authority.

8. Termination. Customer understands that USESC enters into fixed term gas supply arrangements to meet the requirements of each end user such as Customer. Customer agrees that if Customer terminates or breaches the Agreement (whether or not the Term has commenced), including, for example, by failing to pay amounts required in a timely manner, switching suppliers or reverting to supply from another source, such as the Utility, or failing to notify USESC of a change in Location, account number or meter number, USESC may terminate the Agreement and charge Customer for damages suffered by USESC. Customer agrees to pay all of those damages as liquidated damages calculated as follows: 10 cents per therm times the remaining years, or part thereof, of the Term or anticipated Term (if the Term has not commenced) times Customer's annual gas usage in therms. The annual gas usage figure will be based on Customer's previous year's usage or, if Customer has had less than one year's consumption with USESC, the annual gas usage will be based on information provided by the Utility or a reasonable estimate. Customer agrees to these liquidated damages because Customer agrees that the actual damages incurred by USESC would be difficult to ascertain under the circumstances and the amount of these liquidated damages is reasonable under the circumstances and is not a penalty. Customer also agrees to pay to USESC any fees associated with the collection of liquidated damages, including, but not limited to, any legal or collection agency fees. Customer agrees that USESC may collect amounts owed through any legal means and authorizes and directs the Utility to include the liquidated damages and any collection fees in Customer's gas utility bill as an amount payable to USESC. Once the Agreement is terminated, Customer may not be eligible for re-enrollment.

9. Miscellaneous. The Agreement is the entire agreement between the parties. No handwritten alterations to these terms and conditions or the Price are valid or binding. Customer agrees that Customer did not rely on any oral representations or any marketing material other than such as are also reflected in writing herein. To the extent that any part of the Agreement is deemed unenforceable, then that part shall be replaced by a provision as close as possible in meaning to the original, and all other parts of the Agreement shall remain in full force and effect (by way of example only, if the liquidated damages provision is deemed unenforceable, it shall be replaced by a provision requiring Customer to pay actual damages). Customer understands and agrees that USESC is not responsible for any damages that may be suffered by Customer except in the case of intentional wrongdoing by USESC itself. USESC may, with or without notice to, or consent from, Customer, sell, assign, transfer or grant a security interest in all or any part of its interest in the Agreement, or any amounts payable hereunder. The Agreement cannot be assigned by Customer, except with the express written permission of USESC. The Agreement and any renewal or amendment hereof shall be determined in

reach the OUCC at 1.888.441.2494 and www.IN.gov/OUCC. The OUCC is the state agency with the statutory responsibility of representing consumers on all utility matters. If USESC delays in performing, or is unable to perform, any obligation because of an event or circumstance beyond its reasonable control (including a failure of supply, a force majeure event, or an act or omission of the Utility), the Agreement will remain in full effect but USESC will have no liability for any damages caused thereby. If USESC's direct or indirect suppliers or service providers declare a force majeure event that affects USESC's ability to supply natural gas at the Price, Customer agrees to pay for natural gas supplied at the market price available to USESC for the duration of the force majeure. In the case of material legislative or regulatory change, or in the event of material change to the terms and conditions associated with USESC's arrangement with the Utility, USESC may cancel the Agreement without further cost to either party if said change materially alters USESC's ability to earn a profit from the Agreement. Customer agrees to notify USESC in writing within 6 months of any alleged failure to supply natural gas pursuant to the Agreement, breach of contract or tort; in the absence of such timely notification from Customer, USESC shall have no liability to Customer whatsoever. In any event, USESC's liability for breach of the Agreement is limited to the difference between the Price and the price at which natural gas is otherwise available to Customer.

U.S. Energy Savings Corp.

Toll Free Tel. 1.888.674.7847

Toll Free Fax 1.888.548.7690

cs@energysavings.com

OR

Mail: President's Plaza

8600 West Bryn Mawr, Suite 440N

Chicago, Illinois 60631

Indiana Energy Savings Corp. d/b/a U.S. Energy Savings Corp
by its Executive Chair

MAR-3-2008 04:20P FROM: PAMELA TILLMAN 219-397-4611 TO: 13123720778
 writing herein. To the extent that any part of the Agreement is deemed unenforceable, then that part shall be replaced by a provision as close as possible in meaning to the original, and all other parts of the Agreement shall remain in full force and effect (by way of example only, if the liquidated damages provision is deemed unenforceable, it shall be replaced by a provision requiring Customer to pay actual damages). Customer understands and agrees that USESC is not responsible for any damages that may be suffered by Customer except in the case of intentional wrongdoing by USESC itself. USESC may, with or without notice to, or consent from, Customer, sell, assign, transfer or grant a security interest in all or any part of its interest in the Agreement, or any amounts payable hereunder. The Agreement cannot be assigned by Customer, except with the express written permission of USESC. The Agreement and any renewal or amendment hereof shall be determined in accordance with the laws of the State of Indiana. Customer agrees to keep Customer's gas account in good standing and USESC will not be obligated to supply or deliver gas to Customer if Customer fails to pay amounts owed on time. CUSTOMER SHALL CALL THE UTILITY IN CASE OF SMELL OF GAS OR OTHER INDICATION THAT THERE MAY BE A GAS LEAK.

P.10



IN NO EVENT SHALL USESC BE LIABLE FOR ANY ACTS OF INDEPENDENT CONTRACTORS. IN NO EVENT SHALL USESC BE LIABLE FOR ANY DAMAGE DIRECTLY OR INDIRECTLY CAUSED BY A GAS LEAK. NEITHER CUSTOMER NOR USESC SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING UNDER CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL THEORY.

If Customer is entitled to any tax exempt status, Customer must contact NIPSCO in writing or by telephone within 10 days of signing the Agreement, or within 10 days of obtaining such status, to advise of same in order to ensure that this can be implemented in a timely manner. Any delay in notification may delay implementation. You may contact the Indiana Office of Utility Consumer Counselor ("OUCC") with any questions, concerns or conflicts regarding USESC or the program. You may

USESC.NP.3

B

[▲ HOME](#)[▲ TABLE OF CONTENTS](#)**Commodity Cost of Gas History**

For Residential Rate 311.

The commodity cost of gas stated below is for Year 1 SCDS/PPS.

PER THERM

MONTH	2008	2007	2006	2005	2004
January	\$0.6981 ⁶	\$0.7196 ⁵	\$1.0843 ⁴	\$0.6430 ³	\$0.5943 ²
February	\$0.7339 ⁶	\$0.7149 ⁵	\$0.9280 ⁴	\$0.6355 ³	\$0.5901 ²
March	\$0.7765 ⁶	\$0.7461 ⁵	\$0.8369 ⁴	\$0.6281 ³	\$0.5481 ²
April		\$0.7146 ⁵	\$0.7443 ⁴	\$0.7524 ³	\$0.5851 ²
May		\$0.7959 ⁵	\$0.7053 ⁴	\$0.7601 ³	\$0.5810 ²
June		\$0.8906 ⁵	\$0.6447 ⁴	\$0.6622 ³	\$0.7244 ²
July		\$0.8676 ⁵	\$0.6541 ⁴	\$0.8794 ³	\$0.6745 ²
August		\$0.7258 ⁵	\$0.5733 ⁴	\$0.9446 ³	\$0.6062 ²
September		\$0.7274 ⁵	\$0.7319 ⁴	\$1.2484 ³	\$0.4897 ²
October		\$0.6682 ⁵	\$0.5591 ⁴	\$1.3693 ³	\$0.4388 ²
November		\$0.7118 ⁶	\$0.6728 ⁵	\$1.1516 ⁴	\$0.6580 ³
December		\$0.7162 ⁶	\$0.7315 ⁵	\$1.0151 ⁴	\$0.6756 ³

These are historical costs and do not reflect what gas costs might be in the future.

Excludes Interstate Pipeline Demand Trans Cost of Gas/Yr 1

Rate 311 Rate 321 & 325

11/02 - 10/03 ¹	\$0.0382	\$0.0382
11/03 - 10/04 ²	\$0.0440	\$0.0378
11/04 - 10/05 ³	\$0.0500	\$0.0419
11/05 - 10/06 ⁴	\$0.0503	\$0.0415
11/06 - 10/07 ⁵	\$0.0530	\$0.0418
11/07 - 10/08 ⁶	\$0.0520	\$0.0478

C



Protecting over half a million customers

U.S. Energy Savings Corp. (USESC)

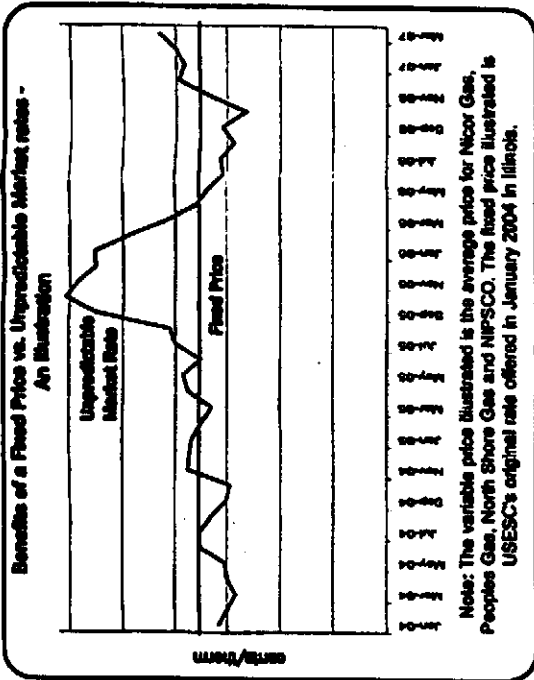


Did you know?

Energy Savings Group buys all of its natural gas in advance, giving us the purchasing power and flexibility to buy large quantities of energy, while passing on the benefits of fixed pricing to our customers.

Over half a million North Americans have protected their price with the Energy Savings Group and are reducing their exposure to fluctuations in the market.

www.energysavings.com



Natural gas prices continue to be highly volatile

- **Economic growth.** In places like North America, China and India for example, increased demand for natural gas may cause prices to rise as resources are depleted.
- **Extreme weather patterns.** High temperatures increase the need for home cooling, which increases natural gas demand used by electric power generators. Cold winters increase the demand for natural gas used for home heating.
- **High oil prices.** Some industrial customers are able to switch between natural gas and other fuels; when the price of oil rises, increased demand for natural gas can drive prices higher.

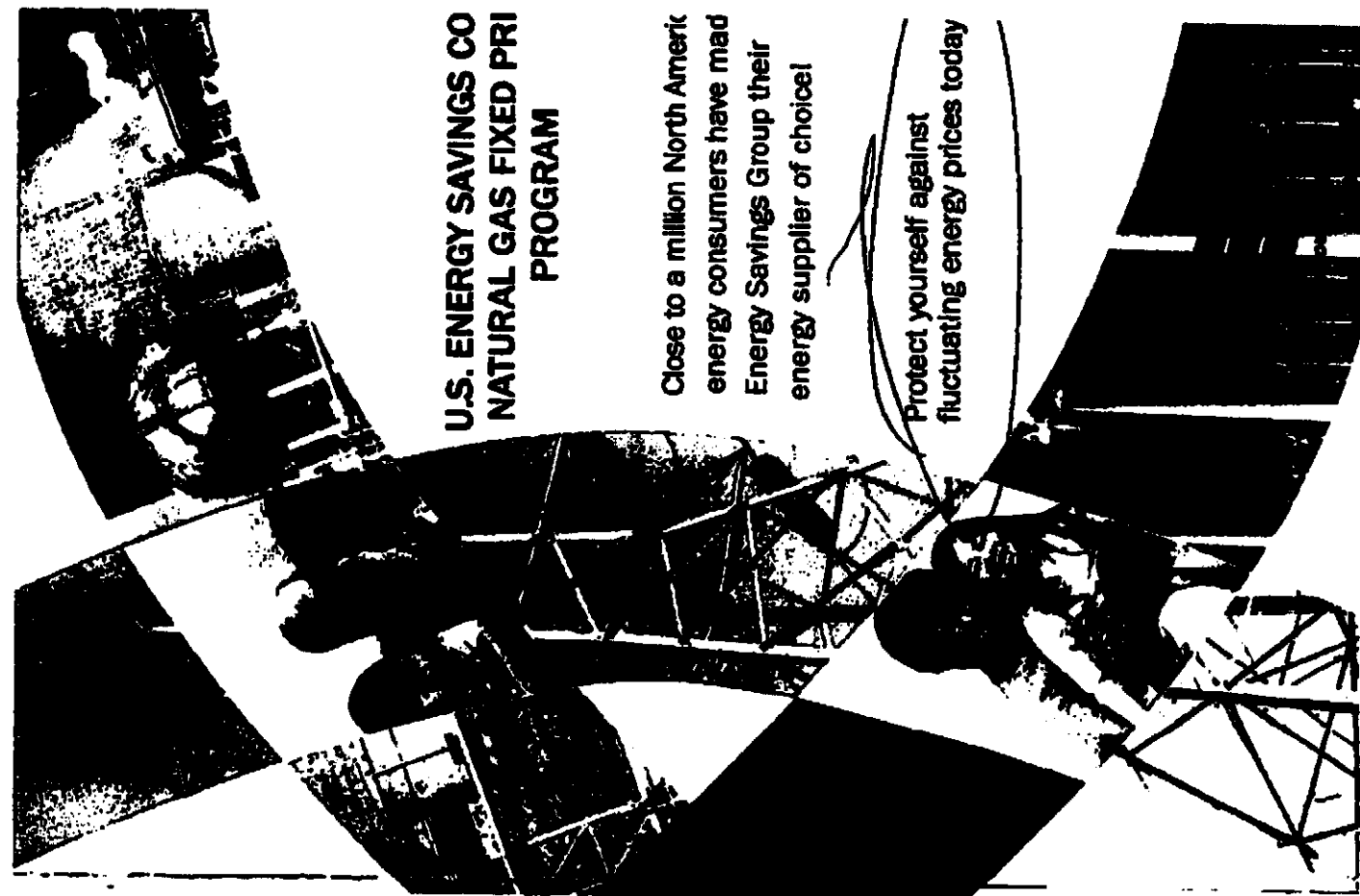


For more information on our 4 and 5 year programs call

1-888-674-7847



ENERGY SAVINGS
GROUP



U.S. ENERGY SAVINGS CO NATURAL GAS FIXED PRICE PROGRAM

Close to a million North American
energy consumers have made
Energy Savings Group their
energy supplier of choice!

Protect yourself against
fluctuating energy prices today

WHO IS U.S. ENERGY SAVINGS GROUP?
We are U.S. Energy Savings Corp. (UESC), part of Energy Savings Group. As one of
North America's largest suppliers of natural gas and electricity, we have the
purchasing power and flexibility to buy large quantities of energy, while passing on
the benefits of fixed pricing to our customers.

UESC provides residential and business customers with Natural Gas Fixed Price
Programs that reduce customer exposure to fluctuating energy prices. UESC
provides customers with peace of mind by allowing them to plan and budget
more effectively.

How will this affect my relationship with the utility?

Natural gas supply charges make up more than 70% of your bill. Through your local
utility, you are able to select an alternative supplier for your energy, thereby taking
control of your natural gas costs. Customers who choose UESC as their alternative
supplier continue to be a utility customer for natural gas delivery.

This means:

- your utility will remain committed to the safe and reliable delivery of natural
gas to your home or business, in addition to reading your meter and responding
to any natural gas-related emergencies;
- you will continue to receive one bill from your utility, and your pre-authorized
payment arrangements remain unchanged;
- any arrangements you currently have in place for equipment repairs or rental
services will be unaffected.

How will this affect my budget billing arrangements?

Indiana: Any budget billing arrangements that you have with NIPSCO remain
unchanged.

Illinois: Budget billing will continue to be available through your local utility for the
delivery portion of your bill, and through UESC for the supply portion.

Why fix my price today?

Natural gas prices are driven by the forces of supply and demand, and natural gas
is a non-renewable resource. With economic development, population growth and
a heightened public awareness of environmental concerns, the demand for cleaner
burning natural gas continues to increase. By fixing your natural gas price at our
rate today, you will pay the same price for 4 or 5 years (depending on the term
you choose), in turn reducing your exposure to the volatility of natural gas prices.

NO SIGN UP OR MONTHLY ADMINISTRATION FEE.

Tel: 1.888.674.7847 Fax: 1.888.548.7690

or visit www.energysavings.com

Why should consumers be concerned about price volatility?

- In the short term, cold weather can increase the demand for natural gas home heating. A colder than expected winter reduces the amount of natural gas in storage to unanticipated levels, causing decreases in available supply.
- In the long term, sustained economic growth can cause an increase in demand as more houses are built, commercial users increase activity, and more natural gas is required by electricity generators to meet electricity demand.
- When oil prices increase, industrial users and power generators may switch from oil to natural gas, increasing demand.
- When oil prices are high, energy companies may invest heavily in oil drilling. Instead of natural gas production, which can decrease natural gas supply.
- Interruption to production, such as that of 2005's active hurricane season, decreases supply for consumers.

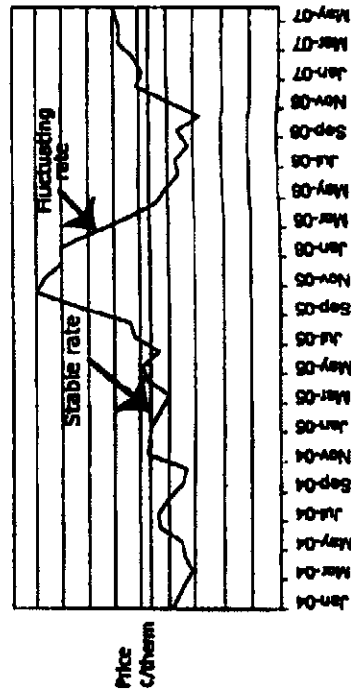


Energy commodity prices are among the most unpredictable, fluctuating with changes in supply and demand.

USESC's program offers you:

- The peace of mind in knowing that your supply price will never increase throughout the term of your agreement.
- The ability to budget your energy costs more effectively through a protected supply price.
- The potential for savings if utility rates go above the fixed price.

The benefits of a Price Protection Program vs. the regulated fluctuating rate.

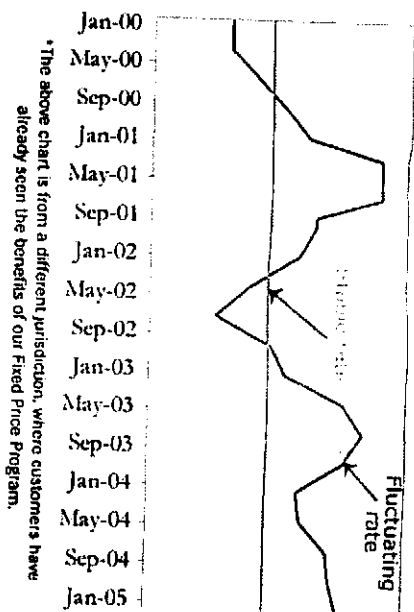


Note: The fluctuating rate illustrated is the average price for Ncor Gas, Peoples Gas, North Shore Gas and NIPSCO. The stable rate illustrated is USESC's original rate offered January 2004 in Illinois.



D

The benefits of a Fixed Price Program vs. the regulated fluctuating rate.



ESBC's program offers you:

- The peace of mind in knowing that your supply price will never increase throughout the term of your agreement.
- The ability to budget your energy costs more effectively through a protected supply price.
- The potential for savings if utility rates go above the fixed price.



Avoid the volatility of fluctuating utility rates.

Register today!

Tel: 1.888.720.6091 Fax: 1.888.548.7690

or visit

www.esbc.ca

ENERGY SAVINGS
B.C.

ESBC/7/20/2007

THE ENERGY SAVINGS B.C. NATURAL GAS FIXED PRICE PROGRAM

Close to a million North American energy consumers have made Energy Savings Group their energy supplier of choice!

Call now 1.888.720.6091 and protect yourself against fluctuating energy prices.

ENERGY SAVINGS
B.C.

For your energy. For your peace of mind.



Who Is Energy Savings B.C.?

Energy Savings B.C. (ESBC) is part of the Energy Savings Group, a Canadian organization and one of the largest retailers of energy in North America. ESBC provides residences and businesses in the Terasen Gas service area with a Natural Gas Fixed Price Program that eliminates their exposure to fluctuating natural gas prices. ESBC gives customers peace of mind from volatile energy prices and the ability to plan and budget more effectively.

Will enrolling with ESBC affect my relationship with Terasen Gas?

Terasen Gas will remain committed to the safe and reliable delivery of natural gas to your home or business. Your natural gas delivery, equal billing and pre-authorized payment will remain unchanged. You will continue to receive one bill from Terasen Gas. The arrangements you currently have in place for equipment repairs or rental services will be unaffected.

Why fix my price today?

Natural gas prices are driven by the forces of supply and demand, and natural gas is a non-renewable resource. With economic development, population growth and more stringent environmental laws being enacted across North America, the demand for cleaner burning natural gas is increasing. By enrolling today, you will pay a fixed price for your natural gas for the duration of your chosen 4 or 5 year term.



CUSTOMER CHOICE

Natural Gas Fixed Price Program

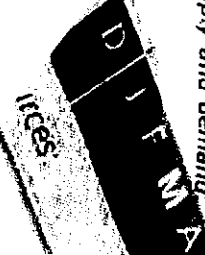
Terasen Gas CUSTOMER CHOICE program.

- In 2004, the ability to choose a natural gas supplier was made available to commercial consumers. Since then, thousands of businesses have chosen to take advantage of fixed price natural gas programs with ESBC and other independent suppliers.
- Now, residential consumers have the same opportunity to protect themselves from the volatility of natural gas price fluctuations by choosing their natural gas supplier.

Why should consumers be concerned about price volatility?

- In the short term, cold weather can increase the demand for natural gas home heating. A colder than expected winter reduces the amount of natural gas in storage to unanticipated levels, causing decreases in available supply.

Energy commodity prices are among the most unpredictable, fluctuating with changes in supply and demand.



- In the long term, sustained economic growth may cause an increase in demand as more houses are built, commercial users increase activity, and more natural gas is required by electricity generators to meet electricity demand.

- When oil prices increase, industrial users and power generators may switch from oil to natural gas, increasing demand.
- When oil prices are high, energy companies may invest heavily in oil drilling, instead of natural gas production, which can decrease natural gas supply.
- As North America's natural gas market is integrated across Canada and the United States, interruption to production in the U.S., such as that of 2005's active hurricane season, decreases supply for both American and Canadian consumers.

ENERGY SAVINGS
CORP.

E



A NIPSCO Company



Gas & Electric Bill

Residential Gas & Electric Service

Page 1 of 2

Account Number
874-208-007-1
Statement Date
01/04/2008
404402

How to Contact Us

1-800-4-NIPSCO (1-800-464-7726)
 For electric lines down or for DirectLink
 account self-service 24 hours/day
 For credit questions,
 call 7 a.m. - 7 p.m., CST Mon. - Fri.
 For quickest response,
 call 11 a.m. - 3 p.m., Tue. - Fri.
 1-800-634-3334
 For gas leaks or odor of gas 24 hours/day
 1-800-635-0882
 For hearing-impaired TDD.
 www.nipso.com
 For more information about our services,
 safety and conservation.

Billing Options

BudgetPlan Reduce the impact of higher, unstable natural gas prices by spreading the cost of winter heating more evenly throughout the year. Know how much to expect to pay each month.

Extended Payment Plan Special payment arrangements and energy assistance are available, if eligible.

Payment Options

ZipCheck Authorize your bank to pay your bill automatically each month.

Phone Call EDS at 1-800-277-8286 or link from our Web site to pay by credit card or debit card. To pay by electronic check, call 1-800-738-5814. EDS charges a convenience fee for each transaction.

Authorized Payment Centers Visit DirectLink e-Services on our Web site or call for the location of an authorized payment center near you. The agent charges a service fee for each transaction. Mail Detach and return the coupon below with payment to:

NIPSCO
 P.O. Box 13007
 Merrillville, IN 46411-3007

Legal Notices

Rate Schedule Information about rate schedules is available upon request.

Check Processing Information When you pay your NIPSCO bill by check, you authorize us to convert the check to electronic data and to make a one-time electronic fund transfer from your checking account for that payment. Funds could be transferred as early as the day after we receive your payment. Your financial institution will not return your check but will note the transaction on your financial statement. For more information or if you do not want your check converted to an electronic transfer, please call our check processing agent toll-free at 1-800-215-6664, 7 a.m. - 7 p.m., Mon. - Fri.

Utility Meter Information

Actual Reading A meter reader has read the meter. You're required to provide us access to read the meter at least once a year or risk shut-off. Please contact us to make arrangements if access is required.

Billing & Payment Summary

Customer Name Pamela Tillman	
Customer CHOICE Program	
Previous Balance on 12/04/2007	\$594.23
Energy Assistance Tax on 12/20/2007	\$17.40
Energy Assistance Payment on 12/20/2007	\$290.00
Payments Received on 12/21/2007	\$286.83
Balance on 01/04/2008	\$0.00
Charges for Gas Distribution This Period	\$180.18
Charges for Gas Supply This Period	\$585.29
Charges for Electric Service This Period	\$190.98
Charges for Optional Services This Period	\$9.98

Amount Due by 01/24/2008 = **\$946.41**

If paid after 01/24/2008, the amount due will be \$973.64.

Thank you for enrolling in NIPSCO's E-Bill program. You will now be able to view and pay your bill on-line. As an E-Bill customer you will no longer receive a bill in the mail.

Billing & Payment Notes

Utility Account Status
 Previous Balance \$594.23
 Current Charges + \$585.29
 Payments Recd - \$286.83
 Total Adjustment - \$290.00
 Ending Balance = \$0.00

If payment is not received by 01/24/2008, a late payment charge of \$27.13 will be added to your account.

Save time and money by making this your last mailed payment. Call for details about ZipCheck at 1-800-464-7726.

See back of bill for Detail of Charges for Electric Service.

Gas Service Summary

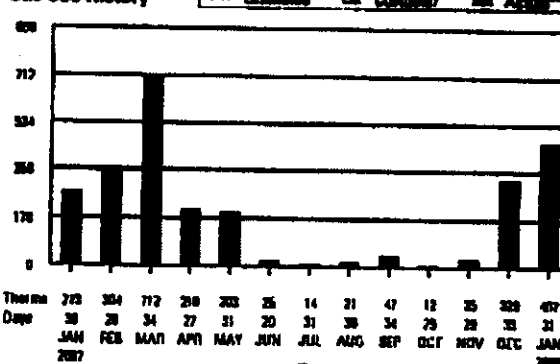
Service Location
 4720 Magoun Ave
 East Chicago IN 46312-3330

Service Summary Notes

Your next actual meter reading date is between 01/04/2008 - 02/01/2008

Meter Number 3405787	Meter Readings (31 Billing Days)	
	Actual Reading on 01/04	7322
	Actual Reading on 12/04	8862
	Gas Used (Ccf)	466
	Conversion to Therms	1,017
	Total Gas Used (Therms)	467.8

Gas Use History



Daily Comparisons

Month	Avg Daily Temp	Avg Daily Usage
Jan '08	26.5°	15.1
Dec '07	32.5°	18.0
Jan '07	35.8°	9.1

Payment Coupon

Turn Me Over >> for more details about

PO 1-29-08
 ON LINE
 500.00

F



A NISource Company



Gas & Electric Bill

Residential Gas & Electric Service

Page 1 of 3

Account Number

674-206-007-1

Statement Date

01/31/2008

405286

How to Contact Us

1-800-4-NIPSCO (1-800-464-7726)

For electric lines down or for DirectLink account self-service 24 hours/day

For credit questions,

call 7 a.m. - 7 p.m., CST Mon. - Fri.

For quickest response,

call 11 a.m. - 3 p.m., Tue. - Fri.

1-800-634-3524

For gas leaks or odor of gas 24 hours/day

1-800-635-0952

For hearing-impaired TDD.

www.nipSCO.com

For more information about our services, safety and conservation.

Billing Options

BudgetPlan Reduce the impact of higher, unstable natural gas prices by spreading the cost of winter heating more evenly throughout the year. Know how much to expect to pay each month.

Extended Payment Plans Special payment arrangements and energy assistance are available, if eligible.

Payment Options

ZipCheck Authorize your bank to pay your bill automatically each month.

Phone Call EDS at 1-866-277-8285 or link from our Web site to pay by credit card or debit card. To pay by electronic check, call 1-866-738-5514. EDS charges a convenience fee for each transaction.

Authorized Payment Centers Visit DirectLink e-Services on our Web site or call for the location of an authorized payment center near you. The agent charges a service fee for each transaction.

Mail Detach and return the coupon below with payment to:

NIPSCO

P.O. Box 13007

Merrillville, IN 46411-3007

Legal Notices

Rate Schedule Information about rate schedules is available upon request.

Check Processing Information When you pay your NIPSCO bill by check, you authorize us to convert the check to electronic data and to make a one-time electronic fund transfer from your checking account for that payment. Funds could be transferred as early as the day after we receive your payment. Your financial institution will not return your check but will note the transaction on your financial statement. For more information or if you do not want your check converted to an electronic transfer, please call our check processing agent toll-free at 1-800-215-5584, 7 a.m. - 7 p.m., Mon. - Fri.

Utility Meter Information

Actual Reading A meter reader has read the meter. You're required to provide us access to read the meter at least once a year or risk shut-off. Please contact us to make arrangements if access is required.

Billing & Payment Summary

Customer Name

Pamela Tillman

Customer CHOICE Program

Previous Balance on 01/04/2008

\$948.41

Payments Received on 01/29/2008

\$500.00

Balance on 01/31/2008

\$448.41

Late Payment Charge on 01/31/2008

+\$12.80

Charges for Gas Distribution This Period

+\$168.54

Charges for Gas Supply This Period

+\$530.98

Charges for Electric Service This Period

+\$180.94

Charges for Optional Services This Period

+\$9.98

Total Amount Due

= \$1,329.65

Amount Due Immediately

= \$448.41

Amount Due by 02/18/2008

= \$883.24

If paid after 02/18/2008, this amount due will be \$908.22

Amount due immediately is the past due amount.

Thank you for enrolling in NIPSCO's E-Bill program. You will now be able to view and pay your bill on-line. As an E-Bill customer you will no longer receive a bill in the mail.

Billing & Payment Notes

Utility Account Status

Previous Balance \$948.41

Current Charges + \$500.00

Payments Rec'd - \$500.00

Total Adjustment + \$12.80

Billing Balance = \$1,329.65

Our records indicate your last bill has not been paid. Prompt payment will maintain your good credit rating with our company.

If payment is not received by 02/18/2008, a late payment charge of \$24.98 will be added to your account.

Save time and money by making this your last mailed payment. Call for details about ZipCheck at 1-800-464-7726.

See back of bill for Detail of Charges for Electric Service.

Gas Service Summary

Service Location

4720 Magoun Ave

East Chicago IN 46312-3330

Service Summary Notes

Your next actual meter

reading date is between

02/29/2008 - 03/04/2008

Meter Number
9485787

Meter Readings (27 Billing Days)

Actual Reading on 01/31 7752

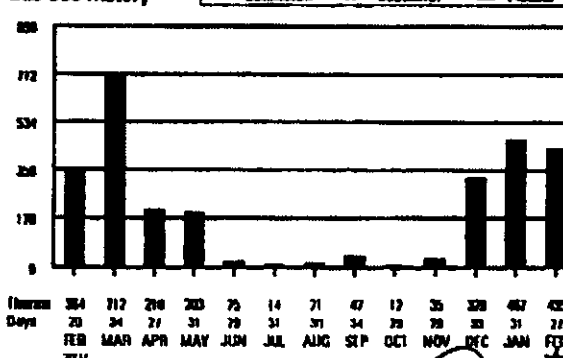
Actual Reading on 01/04 7322

Gas Used (Ccf) = 430

Conversion to Therms X 1.022

Total Gas Used (Therms) = 439.4

Gas Use History

☐ Estimated ☒ Customer ☒ Actual


Daily Comparisons

Month	Avg Daily Temp	Avg Daily Usage
Feb '08	26.8°	18.3
Jan '08	27.5°	15.1
Feb '07	27.1°	13.0

ON LINE

PP 600.00
2-26-08

Payment Summary

Turn Me Over >>
for more details about

STATE OF ILLINOIS)		
)	SS:	#5231
COUNTY OF COOK)		

CERTIFICATION

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure of the State of Illinois, the undersigned certifies that the Second Amended Class Action Complaint was served on August 6, 2008 to the District Court and e-mail notification by the District Court.

s/Arthur S. Gold